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USDOC FOR 532/OEA/L.RITTER/M.HAMES
USDOC FOR 3150/USFCS/OIO/CEENIS/MCOSTA
USDOC FOR 532/OEE/MO'BRIEN

E.O. 12958: N/A

TAGS: [BEXP](#) [ETRD](#) [ETTC](#) [RS](#)

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION:
ELVIRA PRODUCTION CO., ZHELEZNODOROZHNY, RUSSIA,
LICENSE NO. D390095

REFTEL: USDOC 04948

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. Reftel requested a Post-shipment verification to determine the legitimacy and reliability of the end-user, Elvira Production Co., Zheleznodorozhny, Moscow Region, Russia. The company is listed on BIS license application D390095 as the ultimate consignee of sixteen (16) model no. HMC559, GAAS MMIC PHEMT distributed amplifier die which operates between DC and 20 GHZ. These items are controlled for national security (NS), anti-terrorism (AT), missile technology (MT), and nuclear proliferation (NP) reasons under ECCN 3A001. The licensee is Hittite Microwave Corporation, 20 Alpha Road, Chelmsford, MA 01824.

¶3. On August 21, 2008, Export Control Attach Peter Liston and conducted the requested post-shipment verification with Elvira Production Co., Zheleznodorozhny, Moscow Region, Russia. The ECO Liston met with Anatoliy Belchikov, General Director, and Sergey Belchikov, Sales Director at their offices located at 10 Zavodsava Street, Zheleznodorozhny, Moscow Region, Russia.

¶4. According to Sergey Belchikov, Elvira Products Co. was established in 1993, and specialized at that time in the development of surveillance and counter-surveillance equipment for Russian law enforcement. As that industry became saturated in Russia, Elvira moved to entry detection equipment with critical monitoring applications, primarily de-bugging equipment. The vast majority of their customers were still Russian law enforcement. However, Sergey Belchikov indicated that with the growth of the Russian private sector, also came the growth of economic espionage and the need protect "confidential information". Elvira was able to bypass strict legal restraints on the sale of their equipment to the private sector by marketing their products as protecting confidential information, and not surveillance detection equipment. Elvira still manufactures non-linear detection equipment, or NLJD, called the Lornet 24 and were clear in advising the ECO that no U.S. licensable technology goes into it. Elvira has approximately 110 employees all located at the complex visited by the ECO. Elvira is moving to a brand new 300 square meters gated complex located adjacent to their current operations that is still under construction and which they will own.

¶5. Elvira is also in the business of manufacturing Network Analyzers similar to those manufactured by Agilent Technology. Elvira's Network Analyzers will accurately characterize components by measuring their effect on the amplitude and phase of swept-frequency and swept power test signals. The 16 model HMC559, GAAS MMIC PHEMT distributed amplifier die will be used in the manufacture of the Elvira Network Analyzers. Sergey Belchikov presented the 16 Hittite amplifier die to the ECO for inspection, and stated that based upon the delivery schedule they were not sure that they would have had them in time for their last manufacturing schedule and that is why they have not utilized them as of yet. Sergey Belchikov indicated that Elvira makes two different model Network Analyzers, one with the licensable Hittite amplifiers and one without. Their target market are the Russian companies on budgets that cannot afford the higher end Agilent Technology type Network Analyzers.

¶6. Based upon the interview conducted by ECO Liston it is believed that Elvira Production Co. LTD will be utilizing the subject commodity for which it is licensed. They were open and forthwith to all questions presented by the ECO and were not evasive. The entire shipment was accounted for and there is no indication of impropriety.

¶7. Recommendations: Post recommends Elvira Production Co., Zheleznodorozhny, Moscow Region, Russia, Russia as a reliable recipient of sensitive U.S. origin commodities.

(FCS MOSCOW/JMARKS/PLISTON)
BEYRLE